

AMENDED MEMORANDUM OF UNDERSTANDING AND OFFER OF SETTLEMENT

Sun-Times Media Productions, LLC (the "Sun-Times" or the "Employer") and the Newspaper Guild of Gary, Local 34014, of the Communications Workers of America (AFL-CIO, CLC) (hereinafter, the "Guild"), on behalf of itself and its bargaining unit members who are covered by the collective bargaining agreement attached hereto as Exhibit A ("Guild Members"), hereby agree to amend their Memorandum of Understanding and Offer of Settlement dated October 23, 2009 which amended the parties' collective bargaining agreement. This agreement shall be referred to herein as the "Amended Agreement" and the Guild and the Employer are referred to collectively in this Amended Agreement as the "Parties."

The Sun-Times has assumed Exhibit A as amended by the Memorandum of Understanding and Offer of Settlement dated October 23, 2009. Except as modified by this Amended Agreement, the Memorandum of Understanding and Offer of Settlement dated October 23, 2009 and Exhibit A shall continue and be in full force and effect. This Amended Agreement, the Memorandum of Understanding and Offer of Settlement dated October 23, 2009 and Exhibit A shall represent the entire collective bargaining agreement of the Parties. The Parties expressly acknowledge and understand that they are not relying on any representations other than those set forth in this Amended Agreement and that this Amended Agreement, the Memorandum of Understanding and Offer of Settlement dated October 23, 2009 and Exhibit A as amended herein contain the entire understanding among the Parties and supersede and replace all prior and contemporaneous discussions, agreements, proposals and understandings, oral or written. In the event of any conflict between the terms of Exhibit A, the Memorandum of Understanding and Offer of Settlement dated October 23, 2009 and the terms of this Amended Agreement, the terms of this Amended Agreement shall prevail.

TERMS

Duration Of Agreement

The existing collective bargaining agreement (Exhibit A, whose expiration date the Parties agree was previously extended to April 13, 2010), as amended by this Amended Agreement, is extended, for a three-year period commencing on October 26, 2009 ("Closing Date") and expiring on the same calendar date three years later (the "Term").

Wages and Benefits

At the time of the Closing, the Guild had not been able to finalize its determination of the specific wage and benefit concessions that comprised the Guild's 15% composite-rate concessions. The Guild has now done so and, as such, agrees to the following economic concessions which are intended to represent at least a 15% composite-rate savings over the prevailing composite wage and benefit composite rate set forth in Exhibit A:

1. Eliminate effective May 23, 2009, the 1% Employer contribution to the Employer's 401(k) plan under Article XII of Exhibit A;

2. Eliminate eight working days of each Guild Member's vacation pay per year under Article X of Exhibit A such that the Guild Member shall take the eight days off but without pay;
3. Eliminate the 2% wage rate increases for each Guild Member due on April 14, 2009 under Article III of Exhibit A;
4. Reduce each Guild Member's work week hours under Article V of Exhibit A from 8 per shift to 7.5 per shift such that each Guild Member will be responsible for working a 37.5 hour week instead of a 40-hour week. Overtime compensation will be paid only under applicable law for all hours worked in excess of 40 per week and based on actual hours worked. Time off for sick leave, vacation leave or any other type of leave of absence will not be considered hours worked for the purposes of calculating overtime; and,
5. Modify the holiday provision of Article V, Section 6 of Exhibit A to reflect that, effective New Years Day, 2010, and with respect to all holidays thereafter except Thanksgiving Day and Christmas Day. If the Guild Member is not scheduled to work on the holiday or is off work for any reason including without limitation because s/he is sick, on vacation, on workers' compensation leave, the Guild Member will not be paid for the holiday. If the Guild Member is scheduled to work, but does not work, the Guild Member will not be paid for the holiday. If the Guild Member works on the holiday, s/he will be paid straight-time pay for working the holiday rather than any premium level of pay.

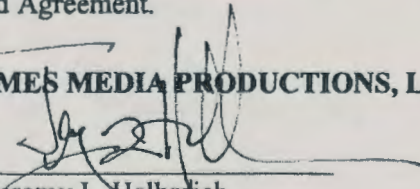
Authority to Enter into Agreement

Each of the Parties hereto represents and warrants that its undersigned representative has full authority to enter into this Amended Agreement on its behalf.

Expiration of this Agreement

Upon expiration of the Term, the 15% composite-rate cuts set forth in this Amended Agreement and the revised work rules, terms and conditions described in the "Flexibility, Jurisdiction and Work Rules" section of the Memorandum of Understanding and Offer of Settlement dated October 23, 2009 shall survive the Term unless otherwise agreed by Sun-Times and the Guild. The Parties agree to begin negotiations for a single collective bargaining agreement to take effect no earlier than the expiration of this Amended Agreement. Such negotiations shall begin on or about one year from the Closing Date and the Parties agree that all Guild bargaining units, including the Gary Newspaper Guild unit and the various Chicago Newspaper Guild units representing employees of Sun-Times, shall participate in such negotiations. The Parties agree that there shall be no strikes or lockouts (without regard to whether they are characterized as justified by an unfair labor practice) with respect to such negotiations during the Term of this Amended Agreement.

SUN-TIMES MEDIA PRODUCTIONS, LLC. THE NEWSPAPER GUILD OF GARY

By: 
Name: Jeremy L. Halbreich
Title: Chief Executive Officer

By: _____
Name: Andrew Grimm
Title: President